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Financial reports and audited financial statements, and reports of the Board of Auditors: United Nations and capital master plan

Implementation of the recommendations of the Board of Auditors contained in its reports for the year ended 31 December 2014 on the United Nations and on the capital master plan

Report of the Secretary-General

Summary

The present report provides information in response to the recommendations of the Board of Auditors as contained in its reports for the year ended 31 December 2014 on the United Nations (A/70/5 (Vol. I), chap. II) and on the capital master plan (A/70/5 (Vol. V)). The report is submitted in accordance with paragraph 7 of General Assembly resolution 48/216 B, in which the Secretary-General was requested to report to the Assembly at the same time as the Board of Auditors submitted its recommendations to the Assembly on measures taken or to be taken to implement those recommendations.

The Administration has accepted all of the Board's recommendations. The present report provides the Administration's comments as well as information on the status of implementation, the department responsible, the estimated completion date and the priority of each recommendation contained in the reports of the Board. In addition, the present report contains updated information on the status of implementation of the recommendations of the Board for prior periods that were reported by the Board as not having been fully implemented in the annexes to its reports.

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I. Introduction

1. In paragraph 7 of its resolution 48/216 B, the General Assembly requested the Secretary-General to report to it on the measures that would be taken to implement the recommendations of the Board of Auditors at the same time as the reports of the Board were submitted to the Assembly. Accordingly, the present report is submitted in response to the recommendations of the Board contained in its reports for the year ended 31 December 2014 on the United Nations (A/70/5 (Vol. I), chap. II) and on the capital master plan (A/70/5 (Vol. V)).

2. In the preparation of the present report, account was taken of the provisions of the following documents:

(a) Resolution 48/216 B, in particular its paragraph 8, in which the Assembly requested the Secretary-General to draw attention in his reports to the recommendations of the Board that would require action by the Assembly;

(b) Resolution 52/212 B, in particular its paragraphs 3-5, and the note by the Secretary-General transmitting the proposals of the Board for improving the implementation of its recommendations approved by the Assembly (A/52/753, annex);

(c) Resolution 69/249 A, in particular its paragraph 17, in which the Assembly reiterated its request to the Secretary-General and the executive heads of the funds and programmes of the United Nations to ensure full implementation of the recommendations of the Board and the related recommendations of the Advisory Committee in a prompt and timely manner, to continue to hold programme managers accountable for the non-implementation of recommendations and to effectively address the root causes of the problems highlighted by the Board; its paragraph 18, in which the Assembly reiterated its request to the Secretary-General to provide in his reports on the implementation of the recommendations of the Board a full explanation for the delays in the implementation of the recommendations of the Board, in particular those recommendations not yet fully implemented that were two or more years old; and its paragraph 19, in which the Assembly also reiterated its request to the Secretary-General to indicate in future reports an expected time frame for the implementation of the recommendations of the Board of Auditors, as well as the priorities for their implementation and the office holders to be held accountable.

3. With regard to prioritization, it is noted that the Board categorizes the most important recommendations as "main" recommendations. While all accepted recommendations of the Board will be implemented in a timely manner, the main recommendations will be considered to be of high priority.

4. The Administration has concurred with most of the Board's recommendations, and comments are provided on all recommendations for the year ended 31 December 2014. In accordance with paragraph 18 of resolution 69/249 A, additional information has been provided on all recommendations for prior financial periods that the Board considered not to have been fully implemented.

5. In accordance with the above-mentioned resolutions, section II of the present report contains the information requested by the General Assembly on the implementation of the recommendations contained in the reports of the Board of Auditors on the United Nations. Section II.A provides information on the

implementation of the recommendations contained in the Board's report for the year ended 31 December 2014, and section II.B provides information on the implementation of recommendations contained in the Board's reports for prior financial periods that the Board considered not to have been fully implemented.

6. Section III of the present report contains the information requested by the General Assembly on the implementation of the recommendations contained in the reports of the Board of Auditors on the capital master plan. Section III.A provides information on the implementation of the recommendations of the Board's report for the year ended 31 December 2014, and section III.B provides information on the implementation of the recommendations contained in the Board's reports for prior financial periods that the Board considered not to have been fully implemented.

II. United Nations

A. Implementation of the recommendations contained in the report of the Board of Auditors on the United Nations for the year ended 31 December 2014

Overview

7. Set out below is the information requested by the General Assembly on the status of implementation of the recommendations contained in the report of the Board of Auditors on the United Nations for the year ended 31 December 2014 (A/70/5 (Vol. I), chap. II).

8. Tables 1 and 2 summarize the status of implementation of recommendations as of August 2015.

Table 1
Status of implementation of main recommendations

Department responsible	*Number of recommendations*	*Implemented*	*In progress*	*Target date set*	*No target date*
Department of Management	8	–	8	6	2
Department of Political Affairs	1	–	1	1	–
Multiple departments	1	–	1	–	1
Total	**10**	**–**	**10**	**7**	**3**
Percentage	**100**	**–**	**100**		

9. Table 1 summarizes the status of the 10 main recommendations of the Board, all of which are in progress. Of the 10 main recommendations, 4 (40 per cent) are scheduled to be implemented in 2016 and 3 (30 per cent) in 2017, and 3 (30 per cent) are of an ongoing nature.

10. Table 2 summarizes the status of all 26 recommendations of the Board, all of which are in progress. Of the 26 recommendations, 16 (62 per cent) are scheduled to be implemented in 2016 and 4 (15 per cent) in 2017, and 6 (23 per cent) are of an ongoing nature.

Table 2
Status of implementation of all recommendations

Department responsible	*Number of recommendations*	*Implemented*	*In progress*	*Target date set*	*No target date*
Department of Management	21	–	21	17	4
Department of Political Affairs	1	–	1	1	–
Multiple departments	4	–	4	2	2
Total	**26**	**–**	**26**	**20**	**6**
Percentage	**100**	**–**	**100**		

Detailed information on implementation status

11. **In paragraph 21 of its report, to improve account preparation procedures in 2015, the Board recommended that the Secretariat: (a) prepare a detailed and achievable timetable for preparing its 2015 financial statements, taking into account the lessons learned from the 2014 exercise and the timeline for implementing Umoja; (b) ensure that sufficient finance staff with the required skills were available to complete the key accounting tasks required in the time available; (c) integrate key Umoja activities, such as data cleansing and conversion, training and user support activities, into the planning and timetable for preparing the accounts to ensure that the activities were aligned; and (d) perform effective management review of the draft financial statements before their submission to the Board.**

Department responsible: Department of Management

Status: In progress

Priority: High

Target date: First quarter of 2016

12. The Administration will prepare a detailed timetable for preparing its 2015 financial statements and incorporate all the recommended items.

13. **In paragraph 28 of its report, the Board recommended that the Administration transform the finance function into a more strategic value-adding service and that it support that transformation with a wider financial management training programme to enhance financial literacy and management across the Organization.**

Department responsible: Department of Management

Status: In progress

Priority: High

Target date: Fourth quarter of 2017

14. The Administration's comments are reflected in paragraph 29 of the Board's report.

15. In addition, some actions have already been implemented, including an online course on budget and finance in the United Nations, which is available in Inspira to all staff to enhance their financial literacy.

16. **In paragraph 40 of its report, the Board recommended that the Administration: (a) develop standard approaches and methodologies for measuring the costs of providing services to internal and external users; and (b) identify how Umoja could support more transparent recording, analysis and reporting of the full costs of activities.**

Department responsible: Department of Management

Status: In progress

Priority: High

Target date: Fourth quarter of 2016

17. In preparation for the roll-out of Umoja, the Administration has issued new policy guidance and instructions on the changes that will take place and improvements that are expected as a result of the new functionalities of Umoja. Among other things, the Administration has implemented an initial phase of standardizing a service catalogue across all duty stations with common activity types and rate structures. In addition, the accounting arrangements for cost recovery activities have been streamlined to provide greater visibility with respect to the costs of services and comparison across service centres. The standardization efforts will be intensified with the full deployment of Umoja, taking into consideration the budget cycles, with more detailed cost centres, common service catalogues and standardized cost elements, among other things. These will enable the Administration to take a holistic view of the costs of providing services to internal and external entities and to better identify opportunities for efficiencies and cost reductions.

18. **In paragraph 55 of its report, the Board recommended that the Administration develop the tools, capacity and capability to generate comprehensive and detailed information that could be used to better understand, manage and control staff costs and to provide more accurate, timely and complete management information to support decision-making.**

Department responsible: Department of Management

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2016

19. In terms of budgeting, it should be noted that standard costs are developed for the calculation of staff costs that are based on the review of actual payroll costs incurred in the current biennium, by category and level, at each duty station. Similarly, common staff costs are based on the analysis of actual common staff costs

for all duty stations for the prior and current bienniums. Such adjustments are approved by the General Assembly. The Administration will continue to develop management accounting reports as recommended by the Board.

20. **In paragraph 60 of its report, the Board recommended that the Administration examine the underlying causes of the differences in average claim costs to determine whether there was scope to reduce the costs of administering the schemes.**

Department responsible: Department of Management

Status: In progress

Priority: Medium

Target date: Ongoing

21. The Administration's comments are reflected in paragraph 61 of the Board's report.

22. **In paragraph 64 of its report, the Board recommended that arrangements be made to conduct an open-book audit of the third-party administrators to provide assurance over the accuracy of reported costs and activities performed by its agents and to confirm that they have complied with their contractual obligations. The inspection rights under these contacts should be exercised regularly in future.**

23. The Administration is in the process of preparing the request for proposal aimed at selecting an audit firm to conduct the inspections.

24. **In paragraph 74 of its report, to address the shortcomings identified, the Board reiterated its previous recommendation and encouraged the Secretariat to expedite work on developing workforce planning as a matter of urgency.**

Department responsible: Department of Management

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2017

25. The Administration's comments are reflected in paragraph 75 of the Board's report.

26. **In paragraph 80 of its report, the Board recommended that the Secretariat: (a) develop an appropriate mechanism to ensure that budget and human resources functions currently handled in silos by the Office of Human Resources Management and the Office of Programme Planning, Budget and Accounts were better coordinated to improve strategic human resources planning; (b) review job profiles to ensure that each post was categorized within an appropriate job family and network using a common standard classification system; and (c) consider the scope for developing a workforce planning module in the scope of Umoja.**

Department responsible: Department of Management

Status: In progress

Priority: High

Target date: Fourth quarter of 2017

27. While it should be noted that the Office of Human Resources Management is involved in the budget process, for example, in the context of any proposed post changes, departments are required to seek the Office's advice on the proper classification of such functions and to include the related forms for classification. The Administration agrees that the Office of Programme Planning, Budget and Accounts and the Office of Human Resources Management have to work together to establish an end-to-end integrated process to ensure that the posts authorized in the budget and the posts in the staffing tables are linked and consistent, in terms of type and nature of post, source of funding, duration, functions, level, location, and so forth. In establishing such a process, it is important to note that all posts, whether they are newly established or extended, should be classified before the budget is approved. The budget and classification information regarding a post should be centrally recorded and used to provide a consistent picture of the post. This will enhance the human resources planning capacity of the Organization. In this respect, both Offices will participate in the design of the Umoja Extension 2 solution to articulate their requirements for the integrated process. This will also require a review of the current policies and procedures pertaining to budget and human resources.

28. **In paragraph 83 of its report, the Board recommended that the Administration review, update and rationalize the current delegations of authority.**

Department responsible: Department of Management

Status: In progress

Priority: Medium

Target date: Second quarter of 2016

29. A new Secretary-General's Bulletin on the delegation of authority in the administration of the Staff Regulations and Staff Rules (ST/SGB/2015/1) was issued on 9 April 2015 and sets out the authorities to be retained by the Secretary-General. A draft administrative instruction is under preparation, which will provide tables setting out the delegation of authority for the Under-Secretary-General for Management, the Office of Human Resources Management, offices away from Headquarters, regional commissions, the Department of Peacekeeping Operations/Department of Field Support and the heads of all other departments and offices.

30. **In paragraph 84 of its report, the Board also recommended that the Administration produce a consolidated policy document that clearly set out delegations of authority and that the Office of Human Resources Management establish an assurance and oversight framework to monitor the exercise of**

delegated powers and ensure that they were exercised in conformity with the approved policy.

Department responsible: Department of Management

Status: In progress

Priority: Medium

Target date: Second quarter of 2016

31. Refer to the Administration's comments above with respect to the recommendation contained in paragraph 83 of the Board's report.

32. **In paragraph 92 of its report, the Board recommended that the Office of Human Resources Management monitor the implementation of the Secretary-General's Bulletin on employment and accessibility for staff members with disabilities in the United Nations Secretariat (ST/SGB/2014/3).**

Department responsible: Department of Management

Status: In progress

Priority: Medium

Target date: First quarter of 2016

33. The Administration is developing an administrative instruction that will provide further guidance on the implementation of the Secretary-General's Bulletin on employment and accessibility for staff members with disabilities in the United Nations Secretariat.

34. **In paragraph 93 of its report, the Board also recommended that the Administration address gaps in access to data on sick leave for comprehensive and timely reporting and develop capability to gather information on key health-care parameters covering all its clients across the United Nations system for more comprehensive reporting on status and policy issues.**

Department responsible: Department of Management

Status: In progress

Priority: Medium

Target date: Second quarter of 2016

35. The Administration accepted this recommendation, noting that activities in that regard were underway. Umoja will deliver increased ability to access data on sick leave, and the Medical Services Division has commenced dialogue with the health insurers to obtain health-care utilization reporting.

36. **In paragraph 98 of its report, the Board recommended that the Office of Human Resources Management: (a) consider capturing information on the spans of control of first and second reporting officers with a view to identifying**

cases where such spans were unacceptably large compared with office norms; (b) consider the use of enhanced data analytics for additional dashboard reports that would facilitate analysis of individual performance grading of individual employees; and (c) consider enhancing system applications to aggregate information on individual development plans and training activities to be undertaken.

Department responsible:	Department of Management
Status:	In progress
Priority:	Medium
Target date:	Second quarter of 2016

37. The Administration's comments are reflected in paragraph 99 of the Board's report.

38. **In paragraph 104 of its report, the Board recommended that the Office of Human Resources Management expedite the progress and resolution of disciplinary cases and develop a centralized monitoring system to track the number of ongoing investigations of alleged misconduct from the stage when a complaint is formally lodged or recommended by the Office of Internal Oversight Services (OIOS).**

Department responsible:	Department of Management
Status:	In progress
Priority:	Medium
Target date:	Ongoing

39. The Office of Human Resources Management continues to make every effort to expedite the process in cases referred for disciplinary action. The Office does not have the required resources to keep track of all investigations in the Organization at this time.

40. **In paragraph 122 of its report, the Board recommended that the Secretariat: (a) develop detailed enterprise risk management policies and procedures for staff to follow at departmental levels of the Organization to supplement the guidance in place for managing the critical enterprise risks; (b) develop a detailed implementation plan for all elements of enterprise risk management that set out a clear timetable, milestones, deliverables and resources required; (c) increase the level of communication and training provided to staff on enterprise risk management policies and procedures; (d) consider the acquisition of appropriate tools, including software, to support the implementation of enterprise risk management; and (e) introduce regular progress reports to inform the Senior Management Committee of the status of implementation of enterprise risk management throughout the Organization and to provide assurance that risks were being managed and mitigated effectively.**

Department responsible: Department of Management

Status: In progress

Priority: High

Target date: Ongoing

41. In November 2012, the Management Committee approved the implementation of a Secretariat-wide enterprise risk assessment to identify, evaluate and prioritize the top strategic risks for the Organization and related managerial responses. Since then, the Secretariat has been actively implementing this assessment, as detailed below.

42. A Secretariat-wide risk assessment exercise has been conducted, and its results were validated by the Management Committee, acting as the enterprise risk management committee of the Organization, at its meetings held on 21 May and 27 June 2014. At those meetings, the Management Committee came to a common understanding of risks and their criticality, identifying the six critical risks on which immediate action was needed and the managers (corporate risk owners) responsible for the definition of risk treatment and response plans.

43. Under the guidance of the corporate risk owners, all of the risk treatment working groups worked to refine the identification of relevant risk drivers, existing controls and response strategies and, most important, the definition of detailed risk treatment plans in order to identify specific risk treatment actions, due dates, responsible teams and, where relevant, resource implications. The risk treatment plans were endorsed by the Management Committee, acting as the enterprise risk management committee, on 25 July 2015.

44. The objectives remain that the Secretariat-wide risk universe, as defined by the enterprise risk management policy and methodology, be tailored to reflect the profile of each organizational unit under consideration and that each department and office develop its own risk catalogue as a subset of the Secretariat-wide risk universe. Eventually, all risks identified within the Organization, at each organizational or functional unit level, will be traced back to the entity-level risk universe identified for the Secretariat. This process will require substantial additional resources, given that it will imply both the creation of enterprise risk management structures within each office and the strengthening of the central enterprise risk management capacity, which will provide proper guidance, tools, training and coordination and will be able to monitor and report consolidated results at the highest level of the Organization. Meanwhile, the Secretariat is focusing its efforts on embedding the management of the risks agreed upon by the Secretary-General and the Management Committee and to implement the action plan approved by the Committee.

45. **In paragraph 128 of its report, the Board reiterated its previous recommendations on fraud and strongly encouraged management to take concerted and urgent action to strengthen its counter-fraud policies and procedures.**

Department responsible: Department of Management

Status: In progress

Priority: High

Target date: Fourth quarter of 2017

46. In June 2015, the Secretariat put together a working group under the leadership of the Office of the Under-Secretary-General for Management to take stock of all the recommendations raised by the Board on the issue of fraud, including the development of an anti-fraud policy. The following departments and offices are duly represented in the working group:

(a) Office of Programme Planning, Budget and Accounts;

(b) Office of Human Resources Management;

(c) Office of Internal Oversight Services;

(d) Office of Legal Affairs;

(e) Office for the Coordination of Humanitarian Affairs;

(f) Department of Field Support;

(g) Ethics Office;

(h) United Nations Office at Geneva.

47. The Administration fully recognizes the importance of a mature and integrated Organization-wide approach to tackling fraud through the development and maintenance of sound anti-fraud policies and strategies. This includes undertaking a comprehensive fraud risk assessment, developing and rationalizing the existing suite of policies and guidance materials, and developing and implementing proper procedures, on the basis of best practice.

48. **In paragraph 136 of its report, the Board recommended that the Administration review the United Nations Procurement Manual and associated guidance material to clarify the circumstances in which delegated authority could be exercised and to indicate the criteria to be applied to determine when issues should be referred to a higher body.**

Department responsible: Department of Management

Status: In progress

Priority: High

Target date: First quarter of 2016

49. The Administration considers that both the administrative instruction on the review committees on contracts (ST/AI/2011/8) and chapter 12 of the United Nations Procurement Manual provide sufficient clarity on the delegation of authority. However, the Administration takes note of the Board's observations on the two cases examined and agrees to review the Manual's guidance on contract amendments or modifications. If it is deemed necessary, the Administration will also

assess whether clarity or guidance is required either by amending the Manual or by issuing a separate instruction.

50. **In paragraph 138 of its report, the Board recommended: (a) that procedures be stipulated to ensure greater coordination between the Department of Field Support and the Procurement Division in chartering aircraft so as to obviate the possibilities of engaging aircraft in excess of requirements or those that did not conform to technical specifications; (b) that the process of technical evaluation of proposals be strengthened; (c) that such procedures include an effective post-contract technical confirmation of the technical compliance of the aircraft provided by the vendor with the specifications stipulated in the bid documents; and (d) that an accountability mechanism be put in place to ensure that contract actions were initiated only after adequate planning with reference to mandate, strategy and technical specifications.**

Departments responsible:	Department of Management/Department of Peacekeeping Operations/Department of Field Support
Status:	In progress
Priority:	High
Target date:	Ongoing

51. The Administration wishes to clarify that, in an e-mail dated 18 February 2014, the Department of Field Support requested the Procurement Division, under its delegated authority, to extend the contract for a period sufficient to complete the procurement process for a replacement contract. Furthermore, in a fax dated 24 February 2014, the African Union-United Nations Hybrid Operation in Darfur (UNAMID) clearly clarified that, in identifying the helicopters for reduction, only the cost factor had been taken into account and not serviceability. Given the initial price of the contract, the maximum period for an extension allowable under the Division's authority would not have provided sufficient time to conclude the procurement process and a replacement contract. This was communicated by the Division to the Department by e-mail.

52. On 26 February 2014, the Department of Field Support sent a memorandum requesting an extension in receipt of only five helicopters. However, by that time the Procurement Division had managed to negotiate a lower price per helicopter for the six helicopters for the needed extension period of two months. Those helicopters were all utilized by UNAMID. The Administration believes that the Division acted in good faith and in the Organization's best interest in realizing cost savings through negotiations in order to meet the full operational requirements of UNAMID during the extension period.

53. The Administration also wishes to note that the subsequent replacement tender covered six helicopters, which indicated that the requirement in UNAMID was indeed for six helicopters and that the earlier request for five helicopters by the Department of Field Support had been made on the basis of budget restrictions in effect at the time. The Administration is of the view that the Procurement Division acted in good faith in trying to meet the full operational requirements of the mission without interruption.

54. The Administration wishes to clarify that the aircraft evaluated by the Department of Field Support was in compliance with the terms and conditions of the contract. At the time of arrival of the Saab 340B aircraft at the mission and upon initial inspection, it was determined that the internal configuration of the toilet was an impediment to the conduct of certain types of casualty and medical evacuation flights. The carrier was requested to move the toilet, which was at the back of the aircraft, to the front. The carrier decided that it would be easier for it to provide an alternative, identical aircraft whose toilet was located in the front than reconfigure aircraft locally. This issue was determined by the mission to be non-critical. In fact, during the period in question the aircraft flew 83.84 hours of regular and special passenger flights, including a casualty evacuation flight on 8 April 2014 in support of the Chadian contingent from Kidal to Gao, Mali, with two passengers on board, given that the aircraft still could perform certain levels of casualty and medical evacuation tasks despite the toilet configuration. Therefore, the Administration does not agree with the statement made by the Board in paragraph 137 (b) of its report that the aircraft did not meet technical operational requirements.

55. The Administration accepts this recommendation, but wishes to note that the matters raised by the Board are technical aviation issues relating to peacekeeping operations, which would be addressed more appropriately in Volume II of the Board's report.

56. **In paragraph 142 of its report, the Board recommended that the Administration continue to enhance its procurement and contract management capability by continuing its efforts to develop a career path for procurement professionals, which should include further training and other avenues, for example, outward secondments, and the continued recruitment of procurement professionals.**

Departments responsible:	Department of Management/Department of Field Support
Status:	In progress
Priority:	High
Target date:	Ongoing

57. The Administration will explore possibilities for further professionalization of procurement staff. It is understood that this recommendation should be construed within the context of paragraphs 172 and 173 of the Board's report for the biennium ended 31 December 2013 (A/69/5 (Vol. I), chap. II).

58. In 2014, the Procurement Division rolled out phase two of its Procurement Training Campus, offering online access to comprehensive training courses on contractual issues in purchasing and contract management. These courses offer robust induction and training on addressing contract management.

59. Since the introduction of the contract management training module in August 2014 in the Department of Field Support, approximately 600 staff involved in contract management responsibilities at Headquarters and in missions have completed this online training course. With regard to the recruitment of procurement professionals, the Department intends to conduct a recruitment exercise, on the

basis of a generic job opening, in order to fill its roster for procurement functions at the P-3, P-4 and P-5 levels during the second half of 2015. The job descriptions for procurement functions require a minimum of five (recent) years of progressively responsible experience in procurement, contract management, administration or a related area. The descriptions also stipulate that a recognized qualification in procurement and contracting is desirable and considered an advantage.

60. **In paragraph 163 of its report, the Board recommended that, in order to enable stakeholders to assess performance more readily, the Administration revise the performance measurement and reporting framework to ensure that annual budget reports provided a clear comparison of actual and planned performance of missions.**

Departments responsible:	Department of Management/Department of Political Affairs/Department of Peacekeeping Operations/ Department of Field Support
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2016

61. The Administration is working on improving the reporting framework of the annual budgets to comply with the recommendation.

62. **In paragraph 169 of its report, the Board recommended that the Department of Political Affairs work with all involved entities to develop a target operating model for the provision of support to all special political missions that clearly defines roles and responsibilities, the resources required and how performance would be measured.**

Department responsible:	Department of Political Affairs
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2016

63. The Department of Political Affairs will continue to work with other entities to find a suitable operating model for the provision of support to special political missions, with due consideration to the variety in terms of the size, mandates and complexity of operating environment of each mission. The outcome will be influenced by initiatives of the Administration that have an impact on field operations and budgetary considerations.

64. **In paragraph 178 of its report, the Board recommended that the Administration strengthen its efforts to monitor and enforce compliance with the 16-day advance purchase rule by special political missions, including by developing a suite of management information reports that provided key information on the date of ticket purchase, the class of travel and the cost of flights.**

Departments responsible:	Department of Management/Department of Political Affairs/Department of Peacekeeping Operations/ Department of Field Support
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2016

65. Compliance with the 16-day advance purchase policy is monitored on a quarterly basis. Details regarding special political missions are reported through the Department of Field Support, along with peacekeeping missions. The Department issued a coded cable in June 2015 to all field missions reminding them of the need to adhere to the advance purchase policy. Following the planned introduction of the Umoja travel solution in special political missions by the second quarter of 2016, the advance purchase policy compliance report will be enhanced to include the requested key information on the date of ticket purchase, the class of travel and the cost of flights.

66. **In paragraph 184 of its report, the Board recommended that the Administration develop a range of financial performance indicators for measuring and reporting travel costs and compliance with the 16-day advance purchase rule, which will promote greater cost consciousness and compliance with travel policies.**

Department responsible:	Department of Management
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2016

67. Following the planned introduction of the Umoja travel solution in special political missions by the second quarter of 2016, the related business intelligence solution will allow for the development and regular reporting of key performance indicators relating to travel. Such reports will be made available to certifying officers in all departments and offices. In addition, internal benchmarking between departments and offices is envisioned to further promote awareness, identify best practices and increase overall compliance.

68. **In paragraph 192 of its report, the Board recommended that the Administration include consideration of wider aspects of United Nations operations in subsequent phases of the global service delivery model, so as to ensure effective support to programmes.**

Department responsible:	Department of Management
Status:	In progress
Priority:	High
Target date:	Ongoing

69. The development of the global service delivery model for the Secretariat will follow a phased approach, given the magnitude of the transformational changes associated with that initiative and the fact that its implementation will be based on decisions by Member States.

70. The following stages have been planned to date:

(a) The Secretary-General will propose a framework for the global service delivery model that will be presented at the seventieth session of the General Assembly, focusing on the vision and guiding principles, methodology, scope and delivery modalities for the model. A detailed proposal for the model, including business case, cost-benefit analysis and location options, will then be presented at the seventy-first session of the Assembly;

(b) The scope of the model will be administrative support services, including both transactional and expertise-based administrative functions. Programmatic activities of the Secretariat are not within the scope of the model. Its development for administrative support functions that span the Secretariat is a very complex undertaking. Trying to further enlarge the scope of the model poses the danger of delaying, and even derailing, its progress.

71. It should be noted that Member States affirmed this scope when they encouraged the Secretary-General to further explore the feasibility of a Secretariat-wide approach to common service delivery and requested him to submit for consideration by the Assembly any proposals that he might develop for a Secretariat-wide approach to common service delivery (see A/67/565, para. 75). In that context, common service delivery had been defined by the Secretariat as administrative, transactional, back-office tasks (see A/67/360, para. 54).

72. **In paragraph 197 of its report, the Board recommended that the Administration establish a formal approach to managing and improving operations to enable continuous reform and improvements in departments.**

Department responsible:	Department of Management
Status:	In progress
Priority:	Medium
Target date:	First quarter of 2016

73. The Board has been made aware of the work being undertaken in this area, including the discussions and reporting that have taken place in the weekly Executive Management Group meetings between the Under-Secretary-General for Management and his Assistant Secretaries-General, most of whom are deeply involved in or responsible for the initiatives in question.

74. As part of the enterprise risk management approach of the Secretariat, organizational transformation has been identified in the enterprise-wide risk profile. A draft risk treatment and response plan assesses five key transformational initiatives (Umoja, the International Public Sector Accounting Standards (IPSAS), the information and communications technology strategy, human resources reforms and the global service delivery model) and their interdependencies. It identifies key risk drivers and proposes mitigating measures at the enterprise level. These include

the need to define a common dashboard and action plan encompassing all the transformation initiatives to ensure proper integration, the alignment of key milestones and the recognition of synergies.

75. **In paragraph 199 of its report, the Board recommended that the Administration urgently enhance its capability to coordinate ongoing transformation projects.**

Department responsible:	Department of Management
Status:	In progress
Priority:	Medium
Target date:	First quarter of 2016

76. Refer to the Administration's comments above with respect to the recommendation contained in paragraph 196 of the Board's report.

B. Implementation of the recommendations contained in the reports of the Board of Auditors on the United Nations for prior financial periods

Overview

77. In paragraph 18 of its resolution 69/249 A, the General Assembly reiterated its request to the Secretary-General to provide in his reports on the implementation of the recommendations of the Board of Auditors a full explanation for the delays in the implementation of the recommendations of the Board, in particular those recommendations not yet fully implemented that were two or more years old.

78. The overall status of implementation of the recommendations contained in the Board's reports for the three past bienniums, as of August 2014, is shown in table 3.

Table 3
Overall status of implementation of the recommendations of the Board of Auditors from prior periods as of August 2015

Biennium report No.	*Implemented*	*In progress*	*Closed by the Board overtaken by events*	*Total*
2008-2009/(A/65/5 (Vol. I), chap. II)	59	7	6	72
2010-2011/(A/67/5 (Vol. I), chap. II)	23	6	11	40
2012-2013/(A/69/5 (Vol. I), chap. II)	2	24	2	28
Total	**84**	**37**	**19**	**140**
Percentage	**60**	**26**	**14**	**100**

79. In annex I to its report on the United Nations for the year ended 31 December 2014 (A/70/5 (Vol. I), chap. II), the Board provided a summary of the status of implementation as of April 2015 of its 47 extant recommendations relating

to prior financial periods. Of the 47 extant recommendations, five (11 per cent) had been fully implemented, 37 (78 per cent) were in progress and the remaining five (11 per cent) had been overtaken by events and closed by the Board. Information is provided below on the 37 recommendations that were in progress and is set out in the order in which the recommendations are presented in annex I.

80. Table 4 summarizes the overall situation as of August 2015.

Table 4
Status of implementation of extant recommendations from prior periods considered not fully implemented in annex I to the report of the Board of Auditors for the year ended 31 December 2014

Department responsible	*Number of recommendations*	*Implemented*	*In progress*	*Target date set*	*No target date*
Department of Management	21	3	18	18	–
Department for General Assembly and Conference Management	1	–	1	1	–
Executive Office of the Secretary-General	1	1	–	–	–
Office for the Coordination of Humanitarian Affairs	3	–	3	3	–
Office of Internal Oversight Services	1	–	1	1	–
Office of Legal Affairs	1	1	–	–	–
Multiple departments	9	–	9	7	2
Total	**37**	**5**	**32**	**30**	**2**
Percentage	**100**	**14**	**86**		

81. As indicated in table 4, of the 37 extant recommendations from prior periods that were considered not fully implemented by the Board, 5 (14 per cent) were subsequently implemented and 32 (86 per cent) were in progress as of August 2015. Of the 32 recommendations that were in progress, 10 (31 per cent) are scheduled to be implemented before the end of 2015, 8 (25 per cent) in 2016 and 12 (38 per cent) between 2017 and 2020, and 2 (6 per cent) are of an ongoing nature.

82. In paragraph 21 of the summary of its report on the United Nations for the year ended 31 December 2014 (A/70/5 (Vol. I), chap. II), the Board noted the commitment of the Administration to the implementation of its recommendations. It should also be noted that most of the recommendations that are not yet fully implemented and that are two or more years old relate to the implementation of multi-year transformational projects, such as Umoja.

Detailed information on implementation status

83. **In paragraph 29 of its report for the biennium ended 31 December 2013 (A/69/5 (Vol. I) and Corr.1, chap. II), the Board recommended that the Administration establish how and under what time frame it would be able to more closely link budget consumption with what had been delivered in terms of outputs and outcomes; and, with this aim in mind, set out a detailed plan for embedding results-based management as part of business as usual, defining clear responsibilities and resources.**

Department responsible: Department of Management

Status: In progress

Priority: High

Target date: Second quarter of 2016

84. The current budget format provides results-based costing at the subprogramme level. In addition, for specific projects across the Secretariat, costing is often provided at a more detailed level. The level of costing, therefore, is adjusted to the specific needs of the decision-making process in question. The Secretary-General will provide an update on results-based management in his next report on accountability, in accordance with paragraph 14 of General Assembly resolution 69/272.

85. **In paragraph 36 of its report, the Board recommended that the Management Committee assess whether it had the tools and capabilities to support it in managing the organizational improvement programme, and that it devise a plan to address any gaps.**

Department responsible: Executive Office of the Secretary-General

Status: Implemented

Priority: Medium

Target date: Not applicable

86. The Management Committee has increased its focus on overseeing various strands of the transformative agenda, including through senior management engagement and leadership and direct technical support from lead departments and offices. The Committee therefore has the tools and capabilities to support the Secretary-General in managing the organizational improvement programme in the Secretariat.

87. The functions of the Management Committee as they relate to this recommendation are established in section 1 of the Secretary-General's Bulletin on the Management Committee (ST/SGB/2011/3 and Amend.1). In the performance of these and its other functions, the Committee is composed of members drawn from various areas of the Organization who, with the technical support of their staffs, bring a wealth of knowledge and expertise to the issues on its agendas. In addition, the membership of the Committee has been broadened and strengthened in recent years to ensure that senior management is informed and engaged in the business transformation process.

88. To ensure strategic guidance, oversight and coherence of management issues, the Management Committee also reviews key elements of major management-related reports of the Secretary-General that are to be submitted for the approval of the General Assembly, such as the budget outline. Through its Chair, the Committee also issues periodic memorandums to all senior managers, drawing their attention to critical management and accountability issues that may require individual and collective attention by management.

89. In 2014, as part of its efforts to improve oversight and effectiveness, the Management Committee strengthened its working methods to include greater accountability for the implementation of its decisions. The two key changes included the implementation of: (a) a standard methodology for presenting information on the subjects to be discussed, and (b) a standard methodology for tracking and following up on the implementation of the Committee's decisions.

90. **In paragraph 44 of its report, the Board recommended that the Administration develop plans for the production of monthly management accounts and improved financial reports to management, drawing on the opportunities being provided by IPSAS and the new enterprise resource planning system.**

Department responsible:	Department of Management
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2017

91. Monthly management accounts will be completed once Umoja has been fully deployed. In the meantime, the Administration has begun providing enhanced financial information to the Management Committee to improve the discussions and decision-making processes on financial matters.

92. **In paragraph 48 of its report, the Board recommended that the Administration, as part of its work on enterprise risk management, develop a strategy to enhance the accountability and internal control framework, including the development of a "statement on internal control" or equivalent document. This replaced the Board's previous recommendation on internal control (see A/67/5 (Vol. I), chap. II, para. 171).**

Department responsible:	Department of Management
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2018

93. Enterprise risk management is currently in its implementation stage. Following the joint Programme Committee/Management Committee meeting held on 9 September 2014, the Secretary-General formally approved: (a) the Secretariat's risk register, (b) the implementation of relevant risk response strategies, and (c) the governance structure guiding the process.

94. A principal-level meeting of the corporate risk owners was held under the chairmanship of the Deputy Secretary-General on 24 October 2014 to formally start the implementation process and to ensure the continued coordination of the efforts of the working groups. Under the guidance of the corporate risk owners, all of the risk treatment working groups have worked to refine the identification of relevant risk drivers, existing controls and response strategies and, most important, the definition of detailed risk treatment plans to identify specific risk treatment actions,

due dates, responsible teams and, where relevant, resource implications. Once these actions have been concluded, the Administration will work on further developing the internal control framework of the Organization and on the implementation of the statement of internal control, for which a clear enterprise risk management framework must be in place.

95. **In paragraph 56 of its report, the Board recommended that the Administration develop a deeper understanding of its cost base and therefore the capability to compare and benchmark its administrative overheads and the performance of its business functions to drive more cost-effective delivery. This might entail creating a general ledger of analysis codes for administrative and programme expenditure (and classifying each transaction according to the appropriate code).**

Department responsible:	Department of Management
Status:	In progress
Priority:	Medium
Target date:	Second quarter of 2017

96. The planned full roll-out of Umoja, which has more robust cost accounting capabilities that the current systems, will provide the Organization with an opportunity to address many of the shortcomings of those systems. Budget formulation will be available as part of Umoja Extension 2.

97. **In paragraph 60 of its report, the Board recommended that the Administration prepare annual updates on the trends in, and funding options for, end-of-service liabilities in order to keep the General Assembly fully informed of the longer-term funding requirements associated with the pay-as-you-go approach.**

Department responsible:	Department of Management
Status:	In progress
Priority:	Medium
Target date:	Third quarter of 2015

98. The trends in and funding options for end-of-service liabilities are included in the management discussions and analysis that accompany the audited financial statements of the United Nations for the year ended 31 December 2014 (see A/70/5 (Vol. I)).

99. **In paragraph 77 of its report, the Board recommended that the Administration perform a review of the budget process and implement an improved end-to-end budget process, including the information and communications technology elements of Umoja Extension 2.**

Department responsible:	Department of Management
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2019

100. The Administration is reviewing all elements relating to the Extension 2 solutions of Umoja. The Organization needs to gain a better understanding of the technical solutions that will be made available and use these as an opportunity to improve its end-to-end budget process. It is not likely that all necessary information and the related new budget processes will be available before the beginning of the budget formulation cycle for the biennium 2018-2019.

101. **In paragraph 100 of its report, the Board recommended that the Office for the Coordination of Humanitarian Affairs perform a skills needs assessment of the standard fund management process as described in the latest guidance and develop a costed training plan for staff at all levels, including increasing management capability both in the field and at Headquarters.**

Department responsible:	Office for the Coordination of Humanitarian Affairs
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2015

102. The Office for the Coordination of Humanitarian Affairs has launched an ongoing training series for staff to build their capacity and skills on the grant management system in various locations as of June 2015. Surge missions carried out by staff of the Funding Coordination Unit are used to implement the latest fund management processes and to train local staff. An external consultant has developed the training framework and is proceeding with the delivery of the training modules.

103. **In paragraph 103 of its report, the Board recommended that the Office for the Coordination of Humanitarian Affairs require clusters and technical review boards to strengthen the consideration of previous project and implementing partner performance when recommending a project for approval by the humanitarian coordinator. This should include an assessment of:**

- **The non-governmental organizations concerned, including past delivery performance across United Nations entities and due diligence on the company and key individuals**
- **The type of project, including the likelihood of successful delivery of the intended benefits, for example, distribution of cash vouchers (high risk) versus construction (lower risk)**
- **The location of the project and the ability to monitor progress.**

Department responsible: Office for the Coordination of Humanitarian Affairs

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2015

104. New guidelines are being rolled out country by country in a progressive manner. All data collected since 2010 have now been added to the grants management system so that business intelligence functionality can be established. An inter-agency working group on data exchange was set up to create a catalogue function that allows various United Nations entities to compare their past delivery performance and due diligence with those of other partners, including the sanctions list of vendors, the Central Emergency Response Fund, the funding tracking service and their equivalents in other United Nations entities.

105. **In paragraph 114 of its report, the Board recommended that the Office for the Coordination of Humanitarian Affairs work with other United Nations entities to establish formal requirements for information-sharing on the performance of implementing partners in each country office.**

Department responsible: Office for the Coordination of Humanitarian Affairs

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2016

106. In response to a call by the Under-Secretary-General for Humanitarian Affairs, for the establishment of formal information-sharing mechanisms, two task forces are now dealing with this matter, as described below.

107. The United Nations Development Group has set up a task force on risk management in fragile States to identify policy gaps and prepare recommendations on how to reinforce risk management practices in an inter-agency environment. The task force will focus on three key deliverables: (a) an overview of current United Nations risk management practices in an integrated programme and funding environment with special focus on conflict and transitions settings; (b) an analysis of policy gaps in current risk management practice, based on a review of risk management deficiencies in the light of recent experiences; and (c) recommendations for additional policy content required to reinforce risk management practices, in particular in conflict and transition settings. As a part of this work, the issue of sharing information on fraud cases detected or investigated will be addressed.

108. The High-level Committee on Management requested the establishment of a task force to report back to it. Such a task force was established, and it is looking at the feasibility of adapting the United Nations Global Marketplace as a platform to track fraud cases related to implementing partners. It will also explore alternative means of information-sharing.

109. At the field level, the functions of the country-based pooled funds advisory boards include undertaking periodic risk analysis, sharing information regarding implementing partners and reviewing the risk management plan of the fund, in accordance with the risk management framework of the funds. The board in each country comprises various stakeholders, including the humanitarian coordinator, the Office for the Coordination of Humanitarian Affairs, donors, United Nations agencies and non-governmental organizations.

110. **In paragraph 125 of its report, the Board recommended that the Office for the Coordination of Humanitarian Affairs accelerate implementation of the improved controls established in the global guidance and accountability framework. This should be done with a more risk-based and flexible approach to the management of implementing partners in country operations involving:**

(a) **Risk assessments to vet implementing partners to create a pool of trusted suppliers;**

(b) **Revised funding arrangements where high-risk implementing partners received an initial payment lower than the current initial 80 per cent payment;**

(c) **Enhanced monitoring arrangements where, for example, high-risk projects should be subject to interim audits/inspections using audit access rights, while monitoring of lower-risk projects could be based on visits from regional staff;**

(d) **Working with the Office of Legal Affairs to strengthen the current memorandum of understanding between the Office for the Coordination of Humanitarian Affairs and implementing partners.**

Departments responsible:	Office for the Coordination of Humanitarian Affairs/ Office of Legal Affairs
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2016

111. The global guidelines for country-based pool funds, which include a comprehensive accountability framework, are being implemented across all funds. The global guidelines also introduce a revised memorandum of understanding with implementing partners, which includes strengthened provisions on risk management.

112. **In paragraph 136 of its report, the Board recommended that the Administration raise awareness of fraud risks by establishing a clear code of conduct (recognizing that a code of conduct includes requirements wider than fraud), reinforced through regular communication of fraud issues and through mandatory training courses for all staff.**

Departments responsible:	Executive Office of the Secretary-General/Department of Management
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2017

113. Some regulatory frameworks already exist, including the standards of conducts for the international civil service, the ethics guide, the Financial Regulations and Rules and the Staff Regulations and Rules. Once an anti-fraud policy is adopted by the Secretariat, additional communications channels will be considered to enhance staff awareness.

114. **In paragraph 142 of its report, the Board recommended that the Administration conduct a comprehensive fraud risk assessment, using in-depth research in high-risk areas, to determine the Organization's vulnerabilities and exposure to risks of fraud from both internal and external sources.**

Departments responsible:	Department of Management/Ethics Office/ Office of Internal Oversight Services
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2017

115. Refer to the Administration's comment above with respect to the recommendation contained in paragraph 128 of the report of the Board for the year ended 31 December 2014 (A/70/5 (Vol. I), chap. II).

116. **In paragraph 143 of its report, the Board also recommended that the Administration support the development of OIOS as a central expert resource to support and work with departments to assess, analyse and act upon all significant fraud risks.**

Departments responsible:	Executive Office of the Secretary-General/Ethics Office/Department of Management/Office of Internal Oversight Services/Department of Peacekeeping Operations/Department of Field Support
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2017

117. Refer to the Administration's comments above with regard to the recommendation contained in paragraph 128 of the report of the Board for the year ended 31 December 2014 (A/70/5 (Vol. I), chap. II).

118. **In paragraph 147 of its report, the Board recommended that the Administration review and rationalize the current suite of policy and guidance material on fraud and other misconduct to provide staff and others with clarity concerning the correct procedures to follow when a fraud was discovered.**

Departments responsible:	Department of Management/Office of Internal Oversight Services/Office of Legal Affairs/Ethics Office
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2017

119. Refer to the Administration's comments above for the recommendation contained in paragraph 128 of the report of the Board for the year ended 31 December 2014 (A/70/5 (Vol. I), chap. II).

120. **In paragraph 148 of its report, the Board also recommended that the Administration establish a central intake mechanism for all reporting of staff grievances and suspected fraud, allowing the cases to be properly screened and assessed and sent to the right part of the Organization for action, and facilitating improved data collection.**

Department responsible:	Office of Internal Oversight Services
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2017

121. OIOS is continuing to implement its new investigations case management system, "GoCase", which is expected to be fully operational in September 2015. GoCase will provide the necessary electronic platform to receive global reports of possible misconduct as a first step towards a central intake mechanism. However, with the focus being on GoCase development and deployment, the central intake initiative has not moved forward from the original concept, which would require clarification on buy-in from other client and stakeholder groups and appropriate resource and funding arrangements for the development of an application based on GoCase.

122. It should be noted that a central intake mechanism will also require development and/or finalization of a related policy and an administrative instruction with regard to the reporting and investigation of potential misconduct, including fraud.

123. **In paragraph 151 of its report, the Board recommended that the Administration develop a framework of actions and arrangements for the systematic legal pursuit of all proven cases of fraud.**

Department responsible:	Office of Legal Affairs
Status:	Implemented
Priority:	Medium
Target date:	Not applicable

124. The Administration notes that it already has a framework of actions and arrangements in place for the systematic pursuit of cases of fraud and therefore this recommendation has already been implemented.

125. **In paragraph 155 of its report, the Board recommended that the Administration update and enhance its whistle-blowing policies and procedures to cover the risk of both internal and external wrongdoing.**

Departments responsible:	Executive Office of the Secretary-General/ Ethics Office/Department of Management
Status:	In progress
Priority:	Medium
Target date:	Second quarter of 2016

126. The Ethics Office has proposed exhaustive policy amendments to the Secretary-General's Bulletin on protection against retaliation for reporting misconduct and for cooperating with duly authorized audits or investigations (ST/SGB/2005/21), put forward for consultation with the Staff Management Coordination Committee, which provide: refinement of the definition of protected activity; information regarding the availability of remedial action, and, for the first time, a prevention mandate. Internal and external reporting procedures are prominently featured in these revisions.

127. **In paragraph 159 of its report, the Board recommended that the Administration develop an integrated strategic approach to tackling fraud, drawing on the many practical examples of good practice being adopted across the world and adapting these to the Organization's circumstances. The first step would be assessing and understanding the type and scale of fraud threats to which the United Nations was exposed.**

Departments responsible:	Executive Office of the Secretary-General/Department of Management/Ethics Office/Office of Legal Affairs/ Office of Internal Oversight Services/Department of Peacekeeping Operations/Department of Field Support
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2017

128. Refer to the Administration's comment above for the recommendation contained in paragraph 128 of the report of the Board for the year ended 31 December 2014 (A/70/5 (Vol. I), chap. II).

129. **In paragraph 164 of its report, the Board recommended that the Administration develop a medium- to long-term strategic workforce strategy and operational workforce plans. These should be informed by a review of the Organization's strategy that identified any gaps in headcount, grades, knowledge and skills.**

Department responsible:	Department of Management
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2020

130. The Administration initiated a new workforce planning project in early 2014 to formulate a standardized methodology to perform workforce planning. It will continue to be reviewed and enhanced in coordination with the Umoja and mobility programmes over the next several years.

131. **In paragraph 169 of its report, the Board recommended that the Administration establish performance measures of the effectiveness of the recruitment process around getting "the right person, with the right skills, to the right position, at the right time and at the right cost".**

Department responsible:	Department of Management
Status:	Implemented
Priority:	Medium
Target date:	Not applicable

132. Performance measures were established. Refer to programme 25, Management and support services, of the proposed strategic framework for the period 2016-2017 (A/69/6 (Prog. 25)).

133. **In paragraph 170 of its report, the Board also recommended that the Administration perform an end-to-end review of the recruitment process to identify opportunities to reduce the lead time to recruit from the point at which a vacancy occurred until the post was filled.**

Department responsible:	Department of Management
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2015

134. A review of the current recruitment processes is in progress and will be extended to incorporate the mobility implementation design processes.

135. **In paragraph 177 of its report, the Board recommended that the Administration develop a skills strategy for staff based on an improved understanding of current capability and existing skills gaps such as commercial skills for major projects, and on the skills required following the implementation of IPSAS and the roll-out of Umoja, such as professional training in financial management skills to lead financial management improvement and provide more strategic advisory services to the wider business.**

Department responsible:	Department of Management
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2016

136. In collaboration with other departments and offices, the Office of Human Resources Management will develop a skills strategy to complement its learning and career support strategy. Plans are also under way to review the opportunities for formal professional development training for accounting and finance staff under the Chartered Institute of Public Finance and Accountancy qualification programme that is being used by other United Nations system organizations.

137. **In paragraph 184 of its report, the Board recommended that the Administration review and improve the appraisal system to enable more effective monitoring of performance trends and implementation of remedial action or rewards following completion of staff performance evaluations.**

Department responsible:	Department of Management
Status:	In progress
Priority:	Medium
Target date:	Second quarter of 2016

138. With respect to the first part of the recommendation, the Office of Human Resources Management has begun work on enabling more effective monitoring of performance trends. With respect to the second part, the Office will take steps on remedial action or rewards once the General Assembly has reviewed the performance management proposal at the first resumed part of its seventieth session.

139. **In paragraph 80 of its report for the biennium ended 31 December 2011 (A/67/5 (Vol. I), and Corr.1 and Corr.2, chap. II), the Board recommended that the Administration review the disclosures in future financial statements with a view to providing more detailed commentary on the reasons for the increased holdings of investments and cash pools.**

Department responsible:	Department of Management
Status:	Implemented
Priority:	High
Target date:	Not applicable

140. Movements in investments and cash pools are included in the management discussions and analysis contained in the financial report that accompanies the audited financial statements of the United Nations for the year ended 31 December 2014 (see A/70/5 (Vol. I)).

141. **As indicated in paragraph 95 of its report, the Administration agreed with the Board's recommendation that it require all staff to have undertaken contract management training prior to taking up contract management responsibility. Such training should cover key aspects of contract management such as contract administration, vendor relationship management, risk management, and performance evaluation and management.**

Department responsible:	Department of Management
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2015

142. The Procurement Division has developed an online training course on contract management that is available through the Procurement Training Campus. The course describes various aspects of contract management in the public sector, providing a solid foundation for effective contract management. It is planned that the course will be mandatory under the new learning and career support strategy of the Office of Human Resources Management, at which point the Under-Secretary-General for Management will inform all heads of departments and offices to take the action necessary to ensure that all staff under their supervision who carry out contract management functions undertake this training.

143. **As indicated in paragraph 130 of its report, the Administration agreed with the Board's recommendation that the Department of Management review the delegations granted to the United Nations Office at Vienna and the United Nations Office at Geneva to ensure that delegated procurement authority was sufficiently clear.**

Department responsible:	Department of Management
Status:	In progress
Priority:	Medium
Target date:	First quarter of 2016

144. The review of delegations of authority granted to the United Nations Office at Vienna and the United Nations Office at Geneva is ongoing.

145. **As indicated in paragraph 145 of its report, the Administration agreed with the Board's recommendation that it: (a) develop more outcome-focused objectives and indicators of achievement; (b) establish clear chains from indicators of resource use and activity, through indicators of output to achievement of high-level objectives; and (c) make subparagraphs (a) and (b) above a clearly articulated responsibility of the Under-Secretaries-General for their respective departments.**

Department responsible:	Department of Management
Status:	Implemented
Priority:	High
Target date:	Not applicable

146. The Administration presented a proposal containing more outcome-oriented strategic frameworks to the Committee for Programme and Coordination at its fifty-fifth session.

147. **As indicated in paragraph 176 of its report, the Administration agreed with the Board's recommendation that, in support of existing work on developing risk management in the United Nations, the Management Committee: (a) periodically identify the top risks facing the Organization and communicate that information to all managers; and (b) develop high-level and regular (monthly) reporting on the current status of the risks and associated mitigating strategies.**

Departments responsible:	Executive Office of the Secretary-General/ Department of Management
Status:	In progress
Priority:	High
Target date:	Ongoing

148. The Management Committee led the first Secretariat-wide risk assessment, identified six critical risks and assigned corporate risk owners to coordinate the Organization-wide response. The risk register and the governance structures were formally approved by the Secretary-General in September 2014. The Committee will continue to have a central role in the periodic monitoring of the status of critical risks and associated mitigating strategies through regular reporting by the relevant corporate risk owners.

149. **As indicated in paragraph 183 of its report, the Administration agreed with the Board's recommendation that United Nations senior management set out an action plan addressing the key lessons identified by the Board on business transformation, to demonstrate and track how it was developing and implementing a more strategic and holistic grip on the direction and delivery of the business transformation programmes.**

Departments responsible:	Executive Office of the Secretary-General/ Department of Management
Status:	In progress
Priority:	High
Target date:	Ongoing

150. Under the name of "organizational transformation", the concurrent implementation of major transformation initiatives has been identified as one of the major risks facing the Organization. The risk action plan, which is informed by the Board's analysis of key lessons, has been prepared.

151. **As indicated in paragraph 25 of its report for the biennium ended 31 December 2009 (A/65/5 (Vol. I), chap. II), the Administration agreed with the Board's recommendation that it: (a) plan for the automated preparation of the financial statements under Umoja; and (b) without waiting for the implementation of Umoja, enhance internal documentation on the preparation of the financial statements and, more generally, on all financial procedures, notably by updating the Financial Manual.**

Department responsible:	Department of Management
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2016

152. The software needed to interface with Umoja for the automation of financial statement preparation had been purchased. The related implementation project will be launched soon and is expected to last about six months. In the meantime, the Administration has already summarized the financial statements process used during the transitional period in the financial statements instructions.

153. **As indicated in paragraph 62 of its report, the Administration agreed with the Board's recommendation that it define a strategy to streamline and further automate the management of voluntary contributions, along the lines of the redesign of assessed contributions procedures.**

Department responsible:	Department of Management
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2015

154. The automation of voluntary contributions will be considered as part of Umoja deployment. The target date continues to be based on the Umoja deployment schedule.

155. **As indicated in paragraph 66 of its report, the Administration agreed with the Board's recommendation that it develop indicators to measure the processing times for contributions.**

Department responsible:	Department of Management
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2015

156. The target date for the implementation of this recommendation continues to be based on the Umoja deployment schedule.

157. **As indicated in paragraph 160 of its report, the Administration agreed with the Board's recommendation that it strengthen internal controls to ensure the accuracy of its payable and receivable balances with counterpart entities as at the end of the financial period.**

Department responsible:	Department of Management
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2015

158. The implementation of this recommendation continues to be tied to the deployment of Umoja, given that it will provide for a consolidated view of payable and receivable balances with counterpart entities.

159. **As indicated in paragraph 164 of its report, the Administration agreed with the Board's recommendation that it reduce the time taken for certifying invoices so as to conform to accrual-based accounting.**

Department responsible:	Department of Management
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2015

160. The time taken for certifying invoices will be further reduced with the full deployment of Umoja in clusters 3 and 4.

161. **In paragraph 387 of its report, the Board recommended that the Administration draw up a schedule by which the staff members who had not taken the mandatory training programmes would be obliged to do so in a close time limit (one year or 18 months), and that the effective implementation be verified.**

Department responsible:	Department of Management
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2015

162. The Office of Human Resources Management will continue to deploy the learning management system in Inspira to field missions. Over the next year, this process will help to improve the ability of the Organization to track mandatory training requirements.

163. The roll-out of the learning management system to peacekeeping missions is scheduled to restart after the deployment of the version 9.2 upgrade of Inspira in October 2015. The Office of Human Resources Management will also analyse the other challenges related to tracking compliance and devise possible solutions. Among these challenges is the issue of determining which courses should be mandatory, which is being addressed through an interdepartmental working group.

164. **As indicated in paragraph 437 of its report, the Administration agreed with the Board's recommendation that it take appropriate measures to ensure that the "Carbon" project was interfaced with Umoja.**

Department responsible:	Department for General Assembly and Conference Management
Status:	In progress
Priority:	Medium
Target date:	Second quarter of 2017

165. In collaboration with the Umoja team, the Department for General Assembly and Conference Management identified required data interfaces between Umoja and the meeting management system called "gMeets" (formerly known as "Carbon"), as well as the contractual management application system. The estimated target date for the implementation of interfaces for the conference management solution with Umoja Extension 2 remains June 2017. For the implementation of data interfaces between the application system and Umoja Foundation, the Department provided the Umoja team responsible for building the data interfaces with the technical specifications, including functional details, a technical overview and required data fields from Umoja.

III. Capital master plan

A. Implementation of the recommendations contained in the report of the Board of Auditors on the capital master plan for the year ended 31 December 2014

Overview

166. Set out below is the information requested by the General Assembly on the status of implementation of recommendations contained in the report of the Board of Auditors on the capital master plan for the year ended 31 December 2014 (A/70/5 (Vol. V)).

167. Table 5 summarizes the status of implementation of all new recommendations of the Board as of August 2015.

Table 5
Status of implementation of all recommendations

Department responsible	*Number of recommendations*	*Implemented*	*In progress*	*Target date set*	*No target date*
Department of Management	5	–	5	5	–
Total	**5**	**–**	**5**	**5**	
Percentage	**100**	**–**	**100**		

168. As indicated in table 5, all five of the recommendations made by the Board are in progress, out of which four are scheduled for implementation by the end of 2015 and one by the end of 2016.

Detailed information on implementation status

169. **In paragraph 17 (a) of the summary of its report, the Board recommended that the Administration manage the capital master plan to successful completion by continuing to closely manage the remaining works to ensure delivery by December 2016 within the $49 million budget.**

Department responsible: Department of Management

Status: In progress

Priority: High

Target date: Fourth quarter of 2016

170. The Administration will continue to closely manage the remaining work to ensure delivery by December 2016. With regard to core technical staff of the capital master plan project, one staff member has already taken up a position in the Office of Central Support Services and two others will be retained in the Office to continue with residual activities and will be paid from the budget of the capital master plan. Similarly, a few core administrative staff will be retained until the end of 2015 to

continue closing activities. These staff resources are sufficient to manage the remaining work that will be managed by the Office.

171. **In paragraph 17 (b) of the summary of its report, the Board recommended that the Administration manage the capital master plan to successful completion by managing and reporting that the project's outcomes had been delivered, including financial and non-financial benefits expected and achieved from the investment in the capital master plan.**

Department responsible:	Department of Management
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2015

172. The information referred to in the recommendation is included in the Secretary-General's thirteenth annual progress report on the implementation of the capital master plan, which will be submitted to the General Assembly.

173. **In paragraph 17 (c) of the summary of its report, the Board recommended that the Administration manage the capital master plan to successful completion by accelerating closure of the remaining capital master plan contracts to increase certainty around final project costs and to release any potential savings.**

Department responsible:	Department of Management
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2015

174. The Office of the Capital Master Plan is in daily contact with the construction manager and monitors the progress of the work, the provision of the close-out documentation, the issuance of the invoices and the reconciliation of the accounts. With respect to close-out documentation, the construction manager is actively working through the list of documents pending closure, including requests for approval, change order requests and contingency requests. The construction manager alerts the Office of pending items and it coordinates with the programme manager in order to provide both thorough and expedited reviews to ensure the suitability of costs prior to closures. In addition to daily working-level coordination, the Office holds weekly coordination meetings with the construction manager to review the project status and schedule, and conducts daily bilateral meetings with teams working on specific subprojects to resolve all issues. The Office also issues letters to the construction manager reiterating the close-out deadlines and the need to expedite the activities.

175. **In paragraph 17 (d) of the summary of its report, the Board recommended that the Administration manage the capital master plan to successful completion by reporting the full amount of any savings arising from contract closure and introducing appropriate governance mechanisms to determine the**

use that could be made of such savings, including specific consideration of returning savings to Member States.

Department responsible: Department of Management

Status: In progress

Priority: High

Target date: Fourth quarter of 2015

176. The information referred to in the recommendation is included in the Secretary-General's thirteenth annual progress report on the implementation of the capital master plan, which will be submitted to the General Assembly.

177. **In paragraph 17 (e) of the summary of its report, the Board recommended that the Administration manage the capital master plan to successful completion by applying wider learning from the capital master plan, including lessons documented in the Board's recent lessons-learned report, to future major projects.**

Department responsible: Department of Management

Status: In progress

Priority: High

Target date: Fourth quarter of 2015

178. The Office of Central Support Services included a comprehensive list of lessons learned from recent projects undertaken by the Organization, including the capital master plan, in annex II to the report of the Secretary-General on the strategic capital review (A/69/760). In addition, the Office will include that list in the global guidelines for the management of construction projects, scheduled for issuance by the end of 2015. The Office will also incorporate additional information from the Board's recent lessons-learned report into the global guidelines referred to above.

B. Implementation of the recommendations contained in the reports of the Board of Auditors on the capital master plan for prior financial periods

Overview

179. In paragraph 18 of its resolution 69/249 A, the General Assembly reiterated its request to the Secretary-General to provide a full explanation for delays in the implementation of the recommendations of the Board for prior periods, in particular those recommendations not yet fully implemented that were two or more years old.

180. As of August 2015, the overall status of implementation of the recommendations contained in the Board's reports on the capital master plan for the past three years is shown in table 6.

Table 6
Overall status of implementation of the recommendations of the Board of Auditors on the capital master plan from prior periods as of August 2015

Year report No.	*Fully implemented*	*In progress*	*Closed by the Board/ overtaken by events*	*Total*
2011/(A/67/5 (Vol. V))	6	–	6	12
2012/(A/68/5 (Vol. V))	2	4	3	9
2013/(A/69/5 (Vol. V))	–	3	1	4
Total	**8**	**7**	**10**	**25**
Percentage	**32**	**28**	**40**	**100**

181. In annex II to its report on the capital master plan for the year ended 31 December 2014 (A/70/5 (Vol. V)), the Board provided a summary of the status of implementation as of April 2015 of its nine extant recommendations relating to prior periods. Of those nine recommendations, two (22 per cent) had been fully implemented, six (67 per cent) were in progress and one (11 per cent) had been overtaken by events and closed by the Board. Information is provided below on the six recommendations that were in progress and is set out in the order in which the recommendations were presented in annex II.

182. Table 7 summarizes the overall situation as of August 2015.

Table 7
Status of implementation of recommendations from prior periods considered not fully implemented in annex II to the report of the Board of Auditors on the capital master plan for the year ended 31 December 2014

Department responsible	*Number of recommendations*	*Implemented*	*In progress*	*Target date set*	*No target date*
Department of Management	6	–	6	6	–
Total	**6**	**–**	**6**	**6**	**–**
Percentage	**100**	**–**	**100**		

183. As indicated in table 7, the six recommendations considered not fully implemented by the Board remained in progress as of August 2015, with two scheduled for implementation by the end of 2015 and the other four by the end of 2016.

Detailed information on implementation status

184. **In paragraph 39 of its report for the year ended 31 December 2012 (A/68/5 (Vol. V)), the Board recommended that, for future projects of this nature, the Administration develop a risk-based approach to determining, allocating and reporting contingency funds on best practice in modern project management.**

Department responsible: Department of Management

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2015

185. A risk-based approach has been used to establish and manage contingency funds for the strategic heritage plan in Geneva. A risk-based approach is also being used to establish and manage contingency funds for the Africa Hall renovation project and other major capital projects being developed under the umbrella of the strategic capital review. The experiences gathered in these projects will be used to develop a general risk management approach, including contingency fund management for major projects. This will be promulgated under the general guidance on capital construction, renovation and major maintenance projects being developed by the Office of Central Support Services.

186. **In paragraph 77 of its report, the Board recommended that the Administration adopt a whole life cycle asset investment strategy and assess costed options for the through-life maintenance of the Headquarters buildings.**

Department responsible: Department of Management

Status: In progress

Priority: High

Target date: First quarter of 2016

187. The Administration is developing a cost-benefit analysis for proactive versus reactive maintenance. An update on that analysis will be included in the next report of the Secretary-General on the strategic capital review that will be submitted to the General Assembly.

188. **In paragraph 82 of its report, the Board recommended that the Office of Central Support Services review its ongoing maintenance contracts, based on an assessment of the total scope of facilities management requirements after completion of the capital master plan, and assess the possibilities for obtaining better value from any future strategic commercial relationship.**

Department responsible: Department of Management

Status: In progress

Priority: Medium

Target date: Second quarter of 2016

189. As of April 2015, the Office of Central Support Services has put in place service contracts and in-house servicing arrangements for all building systems to be handed over by the capital master plan. The Office will monitor the experience of running these service contracts for a period of approximately one year to determine

whether the approach needs to be refined or adjusted to ensure the required levels of service and efficiency.

190. **In paragraph 25 (b) of the summary of its report for the year ended 31 December 2013 (A/69/5 (Vol. V)), the Board recommended that the Administration apply independent project assurance to all major projects. There was no established approach to providing independent project assurance in the United Nations.**

Department responsible:	Department of Management
Status:	In progress
Priority:	High
Target date:	First quarter of 2016

191. The Administration considers that the governance mechanism established for the current large project, the strategic heritage plan, is appropriate and adequate. In addition, mechanisms are being reviewed to monitor projects developed under the umbrella of the strategic capital review, once those projects had been approved and transition into their planning and implementation phases. Developments in this area will be included in the next report of the Secretary-General on the strategic capital review that will be submitted to the General Assembly.

192. **In paragraph 25 (c) of the summary of its report, the Board recommended that the Administration review maintenance arrangements on the basis of the operating data with respect to new assets currently being collected and assess possibilities for obtaining better value for money for the Administration's requirements. As previously recommended, it was important to gather operating data about new assets, such as energy consumption, maintenance patterns and the skills required for the servicing of plant and equipment, so that contractors could bid on an informed basis. That should provide the Administration with a clearer view of its overall maintenance requirements.**

Department responsible:	Department of Management
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2016

193. The Administration will continue to use operating data regarding the new assets to ensure that maintenance is being performed adequately and effectively. To that end, a comprehensive maintenance strategy has been established for all mechanical, electrical and plumbing systems to be implemented through either in-house staff, existing service contracts or the capital master plan maintenance packages. Furthermore, as part of that effort, the Administration intends to provide training to its in-house staff.

194. **In paragraph 25 (d) of the summary of its report, the Board recommended that the Administration commit to visible senior management leadership on the flexible workspace project. Experience suggested that, like all change initiatives**

that had an impact on the day-to-day working environment, senior management leading by example would be vital in gaining staff buy-in and securing the intended benefits.

Department responsible:	Department of Management
Status:	In progress
Priority:	High
Target date:	First quarter of 2018

195. The flexible workplace project has a plan of communication and engagement with all departments, beginning with their heads. Senior managers are being encouraged to show visible leadership by fully participating in the project, which will be executed between November 2015 and early 2018.